

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

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**FOR IMMEDIATE RELEASE
APRIL 3, 2000**

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First Direct Shipment of U.S. Meat Departs for China

United States Trade Representative Charlene Barshefsky and United States Secretary of Agriculture Dan Glickman announced today that the first direct shipment of U.S. meat left the United States for China Sunday evening. China recently announced new rules governing the importation of U.S. citrus, meat and wheat as required under the Agreement on U.S.-China Agricultural Cooperation that was signed last year.

"Last night's shipment of meat represents the first direct opening of China's market to U.S. meat and poultry producers," said Ambassador Barshefsky. "Direct exports of U.S. meat to China should increase dramatically as further market opening and sales opportunities are presented by China's accession to the WTO. But full access will only happen if Congress votes to approve permanent normal trade relations with China."

"As one of the world's largest and fastest growing economies, China holds enormous potential for growing agricultural exports," said Agriculture Secretary Dan Glickman. "The first shipment of U.S. citrus to China in 20 years, a contract pending for a shipment of U.S. wheat, and now this shipment of U.S. beef and pork demonstrates the tangible benefits of increased trade with China. I hope and expect that these shipments are only the first of many more sales to come."

The shipment of meat left San Francisco on a plane bound for Shanghai on Sunday night. The meat was imported by City Supermarket Company Limited in Shanghai. Earlier this month, China bought its first shipment of wheat from the Pacific Northwest and last week, shipments of citrus sailed from ports in Florida and California.

On March 22, China issued new rules governing the importation of U.S. citrus, meat, and wheat, thereby implementing the Agreement on U.S.-China Agricultural Cooperation. This agreement, signed on April 10, 1999, lifted longstanding bans on the export of U.S. citrus, wheat and other

grains from the Pacific Northwest, and meat and poultry. The agreement is significant in that it is based on China's recognition of U.S. standards and guidelines for all three commodities. For meat, this means that China will accept all imports of U.S. meat and poultry that have been approved by the U.S. Department of Agriculture's Food Safety Inspection Service. Previously, China would only accept imports from U.S. plants that had been inspected and approved by China's quarantine experts.

In 1999, China imported 1.3 million metric tons of beef, pork, and poultry from all sources. U.S. meat exports are shipped to China, but as transshipments through Hong Kong. In 1999, Hong Kong was the fourth largest market for U.S. pork and pork variety meat exports, with a value of \$32.3 million. More than half of these imports were transhipped to China. While U.S. beef, pork and poultry producers should see some immediate effect of China's new regulations lifting the sanitary ban on U.S. products, U.S. exports will not expand dramatically unless Congress approves PNTR for China and China begins to implement the tariff reductions contained in the bilateral agreement on China's WTO accession concluded last November.